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SOCIAL SECURITY AGREEMENT

SUMMARY

Canada and Dominica



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INCOME
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Foreword

The Agreement on Social Security between Canada and Dominica was signed on January 14, 1988, and came into force on January 1, 1989.

This summary describes in general terms how the Agreement may help individuals qualify for Canadian or Dominican benefits. It is intended for persons residing in Canada.

It should be noted that, in addition to the entitlement conditions for benefits outlined in this summary, other conditions may be stipulated in the social security laws of either country. Further information about the conditions for entitlement to Canadian benefits and how they affect a particular case may be obtained from any Client Service Centre of Income Security Programs Branch. The telephone number and address of the nearest Centre can be found in the federal government listing of the telephone directory under "Health and Welfare Canada".


Only the Social Security Board of Dominica can provide specific information on the entitlement conditions for Dominican benefits and how they affect a particular case. To avoid delays or loss of benefits, persons who think they may be eligible for one of the Dominican benefits described in this summary should submit an application. Information on how to apply is given in the last page of this summary.

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Introduction

The Agreement on Social Security between Canada and Dominica coordinates the Canadian and Dominican programs which protect individuals in the event of old age, retirement, disability or death. It has three basic objectives:

- (1) to ease or eliminate restrictions on the payment of social security benefits abroad;
- (2) to eliminate situations in which a worker may have to contribute to the social security programs of both countries for the same work;
- (3) to assist migrants in qualifying for benefits based on the periods they have lived or worked in each country.

The Canadian benefits included in the Agreement are those paid under the Old Age Security program and the Canada Pension Plan. These benefits are described in pages 1 to 7.

The Dominican benefits included in the Agreement are the old age, survivors' and invalidity benefits payable under the Social Security Scheme of Dominica. These benefits are described in pages 7 to 10.

Canadian Old Age Security Benefits

Canada's Old Age Security Act provides for three benefits: the basic pension, the Guaranteed Income Supplement and the Spouse's Allowance.

The Old Age Security Pension

The basic Old Age Security pension is a monthly benefit paid to persons who have reached age 65 and who meet the residence requirements. For receipt of the pension in Canada, this requirement is a minimum of 10 years of residence in Canada after reaching age 18. For indefinite receipt of the pension abroad (including the case of a person applying for a pension while residing abroad), the requirement is a minimum of 20 years of residence in Canada after reaching age 18. A person who is receiving a pension in Canada but who has not completed 20 years of residence may, on leaving Canada, receive the pension only for the month of departure and for the six following months.

Through the Agreement, an individual who has at least one year of residence in Canada after reaching age 18, but not residence of sufficient length to be entitled to an Old Age Security pension, may use periods of residence in Dominica after reaching age 18 and after January 1, 1971, to satisfy the entitlement conditions for a pension. For example, a person who has resided in Canada for nine years after reaching age 18 may qualify for a pension payable in Canada if he or she has resided in Dominica for at least one year after reaching age 18 and after January 1, 1971.

As well, through the Agreement, a person who has at least one year of residence in Canada after reaching age 18, but not the 20 years required for receipt of the Old Age Security pension abroad on an indefinite basis, may use periods of residence in Dominica after reaching age 18 and after January 1, 1971, to satisfy the 20-year condition.

The Guaranteed Income Supplement

The Guaranteed Income Supplement is a monthly benefit payable in addition to an Old Age Security pension to a beneficiary who has

little or no income other than the basic Old Age Security pension. The supplement is essentially payable only to residents of Canada. However, if a recipient leaves Canada, it may be paid abroad for the month of departure and for the six following months.

The Spouse's Allowance

The Spouse's Allowance is a monthly benefit payable to the 60- to 64-year-old spouse of a beneficiary of the Guaranteed Income Supplement and to a widowed person in the same age group who has little or no personal income. At age 65, the Spouse's Allowance is replaced by the Old Age Security pension. At least 10 years of residence in Canada after reaching age 18 are required to qualify for a Spouse's Allowance. Like the Guaranteed Income Supplement, the Spouse's Allowance is essentially payable only in Canada. However, if a recipient leaves Canada, it may be paid abroad for the month of departure and for the six following months.

Through the Agreement, an individual who has at least one year of residence in Canada after reaching age 18, but not the 10 years required to be entitled to a Spouse's Allowance, may use periods of residence in Dominica after reaching age 18 and after January 1, 1971, to satisfy the 10-year condition.

Calculating Old Age Security Benefits under the Agreement

The amount of the Old Age Security pension payable under the Agreement is equal to 1/40th of a full pension for each complete year of residence in Canada after reaching age 18. It is calculated in the same way as is a partial pension under the Old Age Security Act if eligibility is established without recourse to an agreement.

The amount of the Spouse's Allowance is determined by the couple's income or, in the case of a widowed person, by the personal income of the beneficiary.

Payment of Old Age Security Benefits

Old Age Security benefits are paid by Health and Welfare Canada in Canadian funds directly to the beneficiary, whether he or she lives in Canada or abroad.

Canada Pension Plan Benefits

The Canada Pension Plan provides benefits in the event of retirement, disability or death of a contributor. The Plan, which began operation in 1966, covers virtually all persons engaged in paid employment or self-employment in Canada, except in Quebec where a similar plan, the Quebec Pension Plan, is in effect.

Canada Pension Plan benefits may be paid anywhere in the world, without any restriction whatsoever.

The Canada Pension Plan Retirement Pension

A retirement pension is a monthly benefit payable to a contributor who has reached retirement age and who has made contributions to the Plan in at least one year.

The normal retirement age is 65. A person who has reached this age may receive a retirement pension even if he or she is still working. A retirement pension may also be paid to a contributor aged between 60 and 64 who has completely ceased paid employment or whose employment earnings, at an annual rate, do not exceed the amount of the maximum annual retirement pension payable to a person whose pension begins at age 65.

If an individual starts to receive a retirement pension before age 65, the pension is reduced by 0.5 percent for each month between the month the pension begins and the month of the person's 65th birthday. The reduction is per-

manent. Conversely, if the pension starts after the individual reaches age 65, it is increased in a comparable manner.

Canada Pension Plan Disability Benefits

A disability pension is a monthly benefit payable to a contributor who is disabled and who has made contributions to the Plan in at least five of the ten or in two of the three calendar years immediately preceding disablement.

A contributor is considered to be disabled if he or she has a physical or mental disability which is both severe and prolonged. "Severe" means that the individual cannot regularly pursue any substantially gainful occupation. "Prolonged" means that the disability is likely to be long continued and of indefinite duration, or is likely to result in death.

A monthly child's benefit is also payable for each dependent child of a disabled contributor. The child must be under age 18, or age 18 or older but under age 25 and in full-time attendance at school or university.

Through the Agreement, a person who has some periods of contributions to the Canada Pension Plan, but who has not made sufficient contributions in the years immediately preceding disablement, may use periods during which contributions have been paid or credited under the Social Security Scheme of Dominica to satisfy the conditions for entitlement to a Canada Pension Plan disability benefit.

Canada Pension Plan Survivors' Benefits

A surviving spouse's pension is a monthly benefit payable to the surviving spouse of a deceased contributor who had made contributions to the Plan for a minimum period (between three and ten calendar years, depending on the age of the contributor at the time of death). Surviving spouse's pensions are

payable on the same conditions to widows and widowers. They are payable even if the surviving spouse remarries.

The “surviving spouse of the contributor” is the person of the opposite sex living with the contributor in a conjugal relationship (whether or not there was a marriage) at the time of death or, if there is no such person, the legal spouse (even if that legal spouse was not living with the contributor at the time of death). If the surviving spouse and deceased contributor were not legally married, they must have lived together for at least one year.

To qualify for a benefit, a surviving spouse who is under age 35 at the time of the contributor’s death must be caring for a child of the contributor or he or she must be disabled as defined by the Canada Pension Plan.

A monthly orphan’s benefit is also payable for each dependent child of the deceased contributor. The child must be under age 18, or age 18 or older but under age 25 and in full-time attendance at school or university.

A death benefit is payable to the estate of a deceased contributor who had made contributions to the Plan for a minimum period (between three and ten calendar years, depending on his or her age at the time of death).

Through the Agreement, when a spouse or child is not entitled to a survivor’s benefit because the deceased had not completed sufficient periods of contributions to the Canada Pension Plan, periods during which the deceased had paid or been credited with contributions under the Social Security Scheme of Dominica may be used to satisfy the conditions for entitlement to a Canada Pension Plan survivor’s benefit.

Calculating Canada Pension Plan Benefits under the Agreement

The retirement pension, the surviving spouse's pension payable at age 65 and the death benefit are based on the earnings of the contributor while under the Canada Pension Plan and on the number of years of contributions to the Plan. The disability pension and the surviving spouse's pension payable before age 65 are composed of two parts: a benefit related to the earnings of the contributor and a flat-rate benefit. Benefits paid on behalf of a contributor's children are all flat-rate.

If entitlement to a Canada Pension Plan benefit is established under the Agreement, the flat-rate component is calculated in proportion to the periods during which contributions were made to the Plan relative to the minimum period of contributions required for entitlement to the benefit. The earnings-related component is calculated in the same way as is a benefit which is paid without recourse to the Agreement.

Payment of Canada Pension Plan Benefits

Canada Pension Plan benefits are paid by Health and Welfare Canada in Canadian funds directly to the beneficiary, whether he or she lives in Canada or abroad.

Dominican Benefits Included in the Agreement

Age Pension

A Dominican age pension is a weekly benefit payable to a person who has reached age 60 and who has paid or been credited with con-

tributions to the Social Security Scheme of Dominica for at least 300 weeks. An individual who has less than 300 weeks of contributions may qualify for a lump-sum grant, provided that contributions have been made for at least 50 weeks.

The amount of benefit payable is calculated on the basis of the person's previous insurable earnings and the number of contributions under the Scheme.

Through the Agreement, a person who has at least one year of contributions to the Social Security Scheme of Dominica, but not the 300 weeks required for entitlement to an age pension, may use periods of residence in Canada after reaching age 18 and after January 1, 1971, or periods of contributions to the Canada Pension Plan after January 1, 1971, to satisfy the 300-week condition.

Invalidity Pension

An invalidity pension is a weekly benefit payable to a person under age 60 who is incapable of undertaking further employment because of a disability which is likely to be permanent. To be eligible for a pension, the individual must have paid or been credited with contributions to the Social Security Scheme for at least 150 weeks. An individual who has less than 150 weeks of contributions may qualify for a lump-sum grant, provided that contributions have been made for at least 50 weeks.

The amount of benefit payable is calculated on the basis of the person's previous insurable earnings and the number of contributions under the Scheme.

Through the Agreement, a person who has at least one year of contributions to the Social Security Scheme of Dominica, but not the 150 weeks required for entitlement to an invalidity pension, may use periods of residence in Canada after reaching age 18 and after January 1, 1971, or periods of contributions to the Canada Pension Plan after January 1, 1971, to satisfy the 150-week condition.

Survivors' Benefits

In order for a surviving spouse and/or children to be entitled to a survivor's benefit, the deceased spouse must have been receiving an invalidity or age pension at the time of death, or must have made sufficient contributions to the Social Security Scheme to have been entitled to receive such a benefit.

Generally, survivors' benefits are paid only to widows. In order for a widower to qualify for a benefit, he must be an invalid at the date of his wife's death, must have been married for at least three years, must have been wholly maintained by his wife, and must have no income of his own from any source.

Children are entitled to benefits if they are under 16 years of age, unmarried and were wholly maintained by the deceased; if a child is disabled, entitlement continues as long as invalidity lasts.

The benefit payable is calculated, in respect of a widow or widower, as 50 percent of the deceased's pension or grant entitlement. The benefit payable to a dependent child is one sixth of the deceased parent's entitlement, or one third if both parents are dead or the child is disabled. Total survivors' benefits can never exceed the amount which was or would have been payable to the deceased person at the time of death.

A widow aged 50 years or over who had been married for at least three years prior to the death of the deceased spouse may qualify for a pension for life. An invalid spouse who had been married for at least three years prior to the death of the deceased spouse may qualify for a pension during the period of invalidity. All other spouses may receive a pension for one year. Benefits cease on remarriage.

In addition to a survivor's pension or lump-sum grant, a flat-rate funeral grant may be paid to the person who is responsible for the funeral costs of the deceased person.

Through the Agreement, when a spouse or child is not entitled to a survivor's benefit under the Social Security Scheme of Dominica because the deceased had not completed sufficient periods of contributions, periods during which the deceased resided in Canada after reaching age 18 and after January 1, 1971, or contributed to the Canada Pension Plan after January 1, 1971, may be used to satisfy the conditions for entitlement to a pension or a funeral grant. In all instances, however, the deceased must have made contributions to the Social Security Scheme for at least one year.

Calculating Dominican Benefits under the Agreement

If entitlement to a Dominican benefit is established by using the provisions of the Agreement, the benefit payable is determined on the basis of the ratio of the periods of contributions to the Social Security Scheme of Dominica to the minimum period of contributions required under Dominican legislation for entitlement to the benefit in question.

Payment of Dominican Benefits

Because of Eastern Caribbean currency control regulations, there are restrictions on the payment of Dominican benefits to persons living outside Dominica. Through the Agreement, these restrictions are lifted for persons who have been subject to the Old Age Security Act or the Canada Pension Plan. In particular, Dominican benefits will be paid by the Social Security Board of Dominica directly to persons residing in Canada in Canadian dollars. Persons living in a country other than Canada or Dominica will receive Dominican benefits either in the currency of that country or in any other currency that is freely exchanged within that country.

Determining the Applicable Legislation

Without an agreement, a person might be required to contribute both to the Canada Pension Plan and to the Social Security Scheme of Dominica for the same work. The Agreement on Social Security between Canada and Dominica eliminates such situations of “dual coverage”.

General Rule

Under the Agreement, an employee is normally subject only to the legislation of the country in which he or she works and is, therefore, exempt from contributions under the legislation of the other country in respect of the same work.

Temporary Postings in Dominica

An exception to the general rule applies in the case of a “detached worker” (e.g. an employee who normally works in Canada and is covered under the Canada Pension Plan in respect of that work, and who is sent by his or her employer to work in Dominica on a temporary basis). Under the Agreement, such a worker is able to continue his or her coverage under the Canada Pension Plan for a period of 24 months and, while this coverage remains in effect, is exempt from social security contributions to the Social Security Scheme of Dominica in respect of the same work.

Government Employment

Another exception to the general rule applies to persons in government employment for one of the countries performing their duties in the other country. They are normally subject to the social security laws of the latter country only if they are citizens or permanent residents of that country.

Residence under the Old Age Security Act

In addition to the coverage provisions just described, the Agreement between Canada and Dominica contains another provision which ensures that a person who is covered under the Canada or Quebec Pension Plan while residing in Dominica is also covered by the Old Age Security Act which is usually based only on residence in Canada. Thus, during that period, complete coverage is afforded under Canadian legislation. Conversely, a person who is residing and working in Canada and is subject to the social security legislation of Dominica does not have those periods considered as periods of residence for purposes of the Old Age Security Act.

More Information Concerning Contributions

Revenue Canada, Taxation administers the provisions of the Canada Pension Plan relating to the making of contributions. Questions regarding the obligation of an employee, an employer or a self-employed person to contribute to the Canada Pension Plan as a result of the Canada/Dominica Agreement, as well as questions concerning continued coverage under the Plan while temporarily posted to work in Dominica, should be addressed to:

Source Deductions Division
Revenue Canada, Taxation
OTTAWA, Ontario
K1A 0L8

Applying for Benefits under the Agreement

Additional information about the Agreement and assistance in applying for any of the Canadian or Dominican benefits described in this summary are available from any Client Service Centre of Income Security Programs Branch. The telephone number and address of the nearest Centre can be found in the federal government listing of the telephone directory under "Health and Welfare Canada". Alternatively, inquiries may be addressed to:

Director
International Operations
Income Security Programs Branch
Health and Welfare Canada
OTTAWA, Ontario
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